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House Engrossed

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
First Regular Session  
2003

# HOUSE BILL 2248

AN ACT

AMENDING TITLE 35, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 1.1; RELATING TO APPROPRIATION OF FEDERAL MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 35, Arizona Revised Statutes, is amended by adding chapter 1.1, to read:

CHAPTER 1.1

APPROPRIATION OF FEDERAL MONIES

ARTICLE 1. GENERAL PROVISIONS

35-251. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "BUDGET UNIT" MEANS ANY DEPARTMENT, COMMISSION, BOARD, INSTITUTION OR OTHER AGENCY OF THE STATE ORGANIZATION RECEIVING, SPENDING OR DISBURSING STATE MONIES OR INCURRING OBLIGATIONS AGAINST THIS STATE.

2. "NONCUSTODIAL FEDERAL MONIES" MEANS FEDERAL MONIES, NOT INCLUDING FEDERAL MONIES OR RESEARCH GRANTS AWARDED TO THE UNIVERSITIES, UNIVERSITY EMPLOYEES OR THE ARIZONA BOARD OF REGENTS FOR AND ON BEHALF OF THE UNIVERSITIES UNDER THEIR JURISDICTION, FEDERAL MONIES FOR USE BY THE DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS AND FEDERAL MONIES AWARDED DIRECTLY TO SCHOOL DISTRICTS OR COMMUNITY COLLEGES UNDER THE JURISDICTION OF THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES, THAT MEET ONE OF THE FOLLOWING CRITERIA:

(a) ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS BLOCK GRANT MONIES.

(b) ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS GENERAL REVENUE SHARING MONIES.

(c) PROVIDE THIS STATE WITH BROAD AUTHORITY TO MAKE SPENDING DECISIONS REGARDING THE DEVELOPMENT, IMPLEMENTATION OR OPERATION OF A PROGRAM OR SERVICE.

(d) ARE CONSIDERED ESSENTIAL TO MEET TOTAL SPENDING OBLIGATIONS OF A FEDERALLY REQUIRED OR MATCHED PROGRAM OR SERVICE AUTHORIZED BY THE LEGISLATURE IN WHICH THE FEDERAL GOVERNMENT REQUIRES AT LEAST ONE PER CENT OF THE PROGRAM OR SERVICE FUNDING TO COME FROM THIS STATE.

35-252. Receipt of noncustodial federal monies; accounting

ALL NONCUSTODIAL FEDERAL MONIES RECEIVED BY ANY BUDGET UNIT SHALL BE ACCOUNTED FOR IN SEPARATE ACCOUNTS OR FUNDS AS NECESSARY TO MEET ACCOUNTING, BUDGETARY AND AUDITING REQUIREMENTS. THE DEPARTMENT OF ADMINISTRATION MAY USE THE MOST EFFICIENT SYSTEM OF ACCOUNTS AND RECORDS, CONSISTENT WITH LEGAL REQUIREMENTS AND STANDARDS, AND NECESSARY FISCAL SAFEGUARDS.

35-253. Appropriation of federal monies; legislative powers and duties

A. THE LEGISLATURE RETAINS THE AUTHORITY TO APPROPRIATE NONCUSTODIAL FEDERAL MONIES. IF THE LEGISLATURE DOES NOT MAKE ANY APPROPRIATION FOR EITHER A PARTICULAR FUND, SPECIFIC GRANT PROGRAM OR BLOCK OF NONCUSTODIAL FEDERAL MONIES, THE BUDGET UNIT THAT HAS LAWFUL AUTHORITY SHALL ADMINISTER AND SPEND THESE MONIES PURSUANT TO FEDERAL AND STATE LAW.

B. THE LEGISLATURE SHALL SPECIFY IN ANY FEDERAL MONIES APPROPRIATION MADE BY THE LEGISLATURE THE PURPOSES FOR WHICH FEDERAL MONIES ARE TO BE USED, CONSISTENT WITH FEDERAL LAW. FOR PURPOSES OF OBTAINING AND EXPENDING

1 UNANTICIPATED FEDERAL MONIES THAT MAY BECOME AVAILABLE WHEN THE LEGISLATURE  
2 IS NOT IN SESSION, SUCH MONIES ARE APPROPRIATED TO THE BUDGET UNIT THAT HAS  
3 LAWFUL AUTHORITY TO ADMINISTER THE MONIES FOR THE FISCAL YEAR IN WHICH THEY  
4 ARE RECEIVED, UNLESS OTHERWISE MODIFIED BY THE LEGISLATURE. THE JOINT  
5 LEGISLATIVE BUDGET COMMITTEE SHALL REVIEW THE BUDGET UNIT'S EXPENDITURE PLAN  
6 FOR ANY MONIES RECEIVED FOR A NEW PROGRAM, SUBJECT TO ANY CONDITION SPECIFIED  
7 BY THE LEGISLATURE.

8 C. IF THE AMOUNT OF THE FEDERAL MONIES RECEIVED IS LESS THAN THE  
9 AMOUNT APPROPRIATED, THE APPROPRIATION OF FEDERAL MONIES SHALL BE REDUCED BY  
10 THE AMOUNT OF THE REDUCTION. THE ACTIVITIES FINANCED BY THE FEDERAL MONIES  
11 SHALL BE REDUCED PROPORTIONATELY.

12 D. IF THE AMOUNT OF THE FEDERAL MONIES RECEIVED FOR AN EXISTING  
13 PROGRAM IS MORE THAN THE AMOUNT APPROPRIATED, THE TOTAL APPROPRIATION OF  
14 FEDERAL AND STATE MONIES ALLOCATED FOR A PROGRAM SHALL REMAIN AT THE AMOUNT  
15 DESIGNATED BY THE LEGISLATURE. THE STATE TREASURER SHALL CREDIT THE EXCESS  
16 FEDERAL MONIES TO THE APPROPRIATE AGENCY ACCOUNT. THE JOINT LEGISLATIVE  
17 BUDGET COMMITTEE SHALL REVIEW IN ADVANCE EXPENDITURES OF THESE EXCESS MONIES.